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I made that suggestion. If not, I shall take the amendment in the order in which it arises. Anyhow, the postponement of this measure till to-morrow 11 o'clock and circulation of the amendments that have been tabled by us meanwhile will help us in this matter."

* The hon. Mr. C. P. RAMASWAMI AYYAR :—" I am agreeable to the matter being taken up at 11 o'clock to-morrow, pending which time, you, Mr. President, may consider the matter and decide on the discussion of this particular amendment "

With the leave of the House, the motion was allowed to stand over till after question time the next day.

XV

THE MADRAS INDIAN PORTS ACT (AMENDMENT) BILL.

* The hon. Mr. R. A. GRAHAM :—" Sir, I beg to introduce a Bill to amend the Indian Ports Act, 1908, in its application to the Presidency of Madras.

" In the explanation to Part II of Schedule 1 of the Act a ship is defined as meaning a sailing vessel and a steamer as meaning a steam vessel, but there is no mention of ships propelled by internal combustion engines; and there is a danger therefore that such ships will escape payment of port dues. Section 33 (2) of the Act says that the Local Government may, by notification in the local official gazette, alter or add to any entry in the First Schedule relating to ports within its own province, but the Government of India have ruled that though the local Government may by notification alter or add to any entry in the Schedule, they cannot in that manner alter any part of the Explanation to the Schedule. In order therefore to ensure that ships propelled by internal combustion engines shall be liable to pay port dues it is necessary for us to bring in an amending Bill and it is for this purpose that the Bill is being introduced. At present, however, the Schedule is complicated and difficult to find one's way about. So the opportunity has been taken to simplify it. The alteration of the Schedule has made it necessary to amend the wording of section 33 (2) and 33 (3). I beg to move that the Bill be read in Council."

The hon. Mr. C P. Ramaswami Ayyar seconded the motion.

The motion was put to the House and carried.

The Secretary then read the title of the Bill.

* The hon. Mr. R. A. GRAHAM :—" I beg to move, Sir, that the Bill be not referred to a select committee. As I have explained, it is a very simple one, and I do not suppose that there is any doubt about the desirability of altering the Schedule or that there is a better way of doing it than by the amendments proposed."

The hon. Mr. C. P. RAMASWAMI AYYAR :—" I second it."

Mr. A. RAMASWAMI MUDALIYAR :—" Sir, I suggested that this Bill be referred to a select committee. My reason is simply this. Last time the hon. the Finance Member wanted to introduce a Bill, I suggested that there was a view prevailing in this Council that it should be referred to a select committee. I think I am not springing a surprise on the hon. the Finance

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Member. I also explained to him why this Bill should be referred to a select committee. I find that the whole of the Schedule is going to be revised and the class of ships and the freight that is to be charged are coming up. You are aware, Mr. President, and the House is aware, that the question of the Indian Mercantile Marine has been engaging the attention of Indians all over the country during the last few months. We had a commission sitting to consider the question of developing the Indian Mercantile Marine, and the Commission suggested that the Indian Mercantile Marine could not evolve in this country unless Government came very largely to its aid by liberal subventions. You are also aware that one of the recommendations of that Commission was that coastal traffic should be entirely, or as far as possible, confined to Indian shipping; and it is within the knowledge of most of us that on the 10th of this month, a non-official member of the Legislative Assembly is going to introduce a measure in that Assembly that Indian coastal traffic should be entirely reserved for ships owned by Indian companies. I am anxious that this House should have an opportunity of doing what little it can and to the little extent that it is permitted to do, towards the development of this Indian Mercantile Marine.

"The next point that I am coming to is this. It is well known that in certain western countries, port dues are not levied from those ships which belong to those countries. That is a matter in which Belgium and Denmark have already moved. Ships owned by Belgians and other nations are exempt from port dues. I want the select committee to consider the question of giving facilities to ships owned by Indian companies. It is true, Sir, and I do not think it can be denied, that during the war, Indian ships and Indian vessels had a great business. But after the war was over, many of these who had constructed these temporary rafts and plied them on the coast were driven out of existence by competition from foreign owned ships. And I think, Sir, that it is up to us to assist in whatever way we can in the development of coastal traffic by Indian owned ships and steamers, however small they may be. I therefore suggest, without taking more of the time of the House, that the question be referred to a select committee, so that the select committee may consider this particular aspect of the question, whether port dues may not be waived in the case of special class of ships and if so what are the limitations that must hedge round the concessions—whether the ships should belong to Indian owned companies or companies a large percentage of the share capital of which is owned by Indians, and so on. It was for that purpose that I suggested that this Bill be referred to a select committee of this House."

*The hon. Mr. R. A. GRAHAM:—"Sir, it is perfectly true that when I proposed to introduce this Bill in December, Mr. Ramaswami Mudaliyar informed the House that he intended to propose that it should be referred to a select committee and the subject was therefore postponed. It is also true that he told me then what his idea was. I have had no opportunity of speaking to him on the subject since and I was not sure whether he was still of the same opinion. He has referred to the report of the Indian Mercantile Marine Committee and mentioned that a Member of the Legislative Assembly is intending to make a motion in that Assembly shortly with an object similar to his. Sir, the Assembly is no doubt the proper place in which to make such a motion. I would deprecate the raising of the question here and in view of the fact that it is to be raised elsewhere it seems hardly

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necessary to drag out the further consideration of this very simple Bill by tacking on to it a suggestion of the kind he wishes to make. I doubt also whether this Council has power to make a radical alteration of this kind in an Indian Act. It seems rather a matter for the Legislative Assembly and in all probability if, on a reference of this Bill to a select committee, a provision of this kind is inserted, it will be necessary to refer the question to the Government of India. Meanwhile the possibility that motor boats will escape the levy of port dues will continue.

"The hon. Member informed us that in certain western countries ships owned by nationals are exempted from port dues. I do not doubt that this is correct according to his information, but my latest information is that under a convention adopted by the League of Nations at Geneva in December 1923, all nations belonging to the League have agreed not to make any discrimination in favour of their own ships. I am not quite sure whether this applies to coastal traffic, but it certainly applies to all other trade. Lastly apart from all these questions it seems to me unnecessary to consider the question here raised. Section 34 of the existing Act says that a local Government may, after consulting the authority appointed under section 36, exempt, subject to such conditions, if any, as it thinks fit to impose, any vessel or class of vessels entering a port subject to this Act from payment of port dues. This makes it clear that exemption is legal. Whether it is expedient is a matter for discussion and it is for the hon. Member to convince the Government that it is to the advantage of the ports and the public that there should be an exemption. If it is decided to be desirable it is possible under section 34 of the Act."

Mr. A. RAMASWAMI MUDALIYAR:—"I have only to point out this fact in reply to what the hon the Finance Member has said. I am aware that there are certain things on which the Government of India has to be consulted. The question of major ports alone is under the guidance of the Government of India. This Council has got plenary powers so far as the minor ports are concerned.

"The only two major ports in this Presidency are Madras and Tuticorin. Legislation even with reference to these ports can be made only with the previous sanction of the Government of India. I take it that the amendments proposed to be placed before the select committee with reference to these major ports also will be sent up by the hon. the Finance Member to the Government of India for such sanction.

4-30 p.m.

"Now, as regards the convention to which the hon. the Finance Member referred, I may assure the House that the League of Nations convention notwithstanding, several countries do have prohibition with regard to foreign vessels so far as coastal traffic is concerned.

"As regards the section referred to by the hon. the Finance Member I have simply to point out that in spite of the existence of that section no exemptions have been given by the Government. We prefer not to convince the Government of the necessity for exemption. We prefer to convince our hon. Colleagues in this Council of the necessity for exemption. I do think that this Bill should go before a select committee."

* Diwan Bahadur M. KRISHNAN NAYAR:—"Sir, I want to make some remarks in addition to those already made by the hon. Member Mr. Ramaswami Mudaliyar. The remarks made by the hon. Mr. Graham practically

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amount to this that he objects to this Bill going before the select committee. What my hon. Friend, the Finance Member, stated was this : that the Assembly is the proper place to consider the proposed amendments. To that I would say that that matter also can be considered by the select committee and if the select committee comes to the conclusion that this Council should not interfere with the Bill as introduced by the hon. Member and should not introduce the amendments suggested by Mr. Ramaswami Mudaliyar then the report of the select committee might be to that effect. Therefore, for the consideration of this identical matter I think it is necessary and desirable that this Bill should be referred to a select committee. The question as to what the convention of the League of Nations is, how far it is applicable to the present case, etc., can also be considered by the select committee.

"With reference to section 34 referred to by the hon. Mr. Graham, I would like to say this. Section 34 runs thus: 'The Local Government may, under certain conditions, when it is satisfied, issue a particular order'. Now, instead of trusting to the wisdom of the local Government it is better to trust to the wisdom of this Council and the necessary provision to that effect may thereore be made in the Bill itself. In any case there can be no harm whatever in sending this Bill to the select committee.

"I believe the only other argument that has been advanced by my hon. Friend, Mr Graham, is that in the short period during which this Bill may be in the possession of the select committee some of the motor boats might enjoy the benefit of exemption from port dues."

* The hon. Mr. R. A. Graham :—"I did not say so."

Diwan Bahadur M. Krishnan Nayar :—"In any case, that consideration is not sufficient to meet the arguments that have been advanced for referring this Bill to the select committee. For these reasons I think it is very desirable and necessary that the Bill should be referred to a select committee"

Mr. A. V. Bhanoji Rao :—"Mr President, Sir, I also think that the Bill should be referred to a select committee. My hon. Friends have omitted to mention one point in favour of their motion It is this. We will express our opinion on the matter even if it is a central subject saying that we have to safeguard the interests of the minor ports. This question affects not only the port dues as pointed out by my hon. Friend Mr. Ramaswami Mudaliyar, but it also affects the Indian Mercantile Marine. Unless their interests are safeguarded there is no possibility of developing the Indian Mercantile Marine. It is only with that object that one hon. Member asked the Government about it and I suppose he is again going to ask. To show our interests to the Central Government in regard to the Indian Mercantile Marine and also in order to safeguard our interests it is necessary that this Bill should be referred to a select committee so that we might thrash out the minute details of the amendments."

* The hon. Sir Arthur Knapp :—"I do not profess to have any knowledge of the details on which discussion has proceeded in regard to this Bill. But there is one point which struck me in this debate which I think it will be right to put before the House. It is this : my hon. Friend, Mr Krishnan Nayar, argued that the opportunity must be taken by referring this Bill to a select committee in order that certain modifications which the

amending Bill does not purport to touch may be inserted. I think we are treading on rather dangerous grounds if every time the decision of the Council has to be taken on a minor provision, the Government cannot come forward with a small amendment without undertaking complete revision of an enactment. This is practically what it is coming to if I may judge from this afternoon's experience. The ordinary way of bringing forward amendments and incorporating them in the respective Bills is for hon. Members to introduce private Bills. I am only suggesting that it will be more in consonance with the dignity of this House if instead of blocking minor amendments brought forward by Government to suit administrative convenience, hon. Members introduce private Bills embodying their views. I would appeal to the House in the case of these minor amendments to let them proceed as my hon. Friend desires and if the encouragement of a mercantile marine appeals to them there is no difficulty in their bringing forward a private bill to introduce the necessary modifications in the Act. It is not right that minor amendments to suit administrative convenience should be denied to the Government or that the whole of the Act to which a minor amendment is proposed should automatically come under discussion."

Mr. A. Ramaswami Mudaliyar :—"Sir, I have to make a personal statement. I think the hon. the Home Member would not have made that speech if he had read the whole Bill which has been introduced. It is not my mistake that the hon. the Finance Member has not confined himself to the particular amendments he wants to move. If that be so I will be out of order in moving any amendment. But in the Statement of Objects and Reasons the hon. the Home Member will find this in the last sentence: "The opportunity has been taken also to simplify the schedule." It is that 'opportunity' which gives me the right to make this suggestion that that schedule should be so amended as to embody my proposal also. It is not my mistake. The hon. the Finance Member (Mover) might have confined himself to the particular amendments. He has not done so and he has taken this opportunity to simplify the schedule and in so doing has left the door wide open through which I propose to creep in."

* The hon. Mr. R. A. Graham :—"I have not proposed to make any substantial alteration in the schedule at all."

* Mr. C. V. Venkataramana Ayyangar :—"In supporting this motion for referring the Bill to a select committee I also want to say a few words. Apart from the technicalities of this question I must say that we should take advantage of the opportunity given by the Government Members bringing forward an amending Bill. It is very easily said that private Members might bring amending Bills. Some of us who have given notice of private Bills know what great difficulties we are put to. I have sent a small Bill about local option. It has been pending for the last one and a half years going from one officer to another. I am yet to know what has become of my Bill. It is very doubtful whether and when such Bills are likely to come up before the Council. Therefore it is but legitimate that hon. Members should take advantage of the opportunity given by the Government Members. Granting that we will be within our rights in taking advantage of this opportunity as has been pointed out by Mr. Ramaswami Mudaliyar the only point is which amendment is good and which bad.

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"The next point that I am coming to is this. It is well known that in certain western countries, port dues are not levied from those ships which belong to those countries. That is a matter in which Belgium and Denmark have already moved. Ships owned by Belgians and other nations are exempt from port dues. I want the select committee to consider the question of giving facilities to ships owned by Indian companies. It is true, Sir, and I do not think it can be denied, that during the war, Indian ships and Indian vessels had a great business. But after the war was over, many of these who had constructed these temporary rafts and plied them on the coast were driven out of existence by competition from foreign owned ships. And I think, Sir, that it is up to us to assist in whatever way we can in the development of coastal traffic by Indian owned ships and steamers, however small they may be. I therefore suggest, without taking more of the time of the House, that the question be referred to a select committee, so that the select committee may consider this particular aspect of the question, whether port dues may not be waived in the case of special class of ships and if so what are the limitations that must hedge round the concessions—whether the ships should belong to Indian owned companies or companies a large percentage of the share capital of which is owned by Indians, and so on. It was for that purpose that I suggested that this Bill be referred to a select committee of this House."

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